

**SPECIAL MEETING  
BOARD OF MAYOR AND ALDERMEN  
(RE: BASEBALL)**

**November 13, 2002**

**6:00 PM**

Mayor Baines called the meeting to order.

Mayor Baines called for the Pledge of Allegiance, this function being led by Alderman Lopez.

A moment of silent prayer was observed.

The Clerk called the roll.

Present: Aldermen Wihby, Gatsas, Guinta, Sysyn, Osborne, Pinard, O'Neil,  
Lopez, Shea, DeVries, Garrity, and Smith.

Absent: Aldermen Thibault and Smith

Mayor Baines stated I would like to first of all talk a little bit about this project and why this is a critical project for the future of our City. First of all, I want to correct an unfortunate and inaccurate headline that appeared on the front page of the *Union Leader* over a very accurate story. This project has no impact, zero impact, on the property taxes of the City of Manchester. None. Zero. Zip. Unfortunately the headline led people to believe just the opposite and that is very unfortunate. We are talking tonight about one of the most significant economic development projects in the history of our City. It is a project that builds critically on the tax base of our City. All we have to do is go over our most recent deliberations over the budget and talk about a community with not only a flat tax base but a declining tax base for many reasons. One of the main reasons is that we are out of land for development activities. As you know the last parcel of land that has been left because of a lot of issues in the past, is 135 acres on Hackett Hill. To quote Jay Taylor if Manchester is going to reclaim and grow its tax base, we need to refocus on redevelopment projects. The project that we are talking about tonight is on a parcel of land that is generating zero tax dollars. Zero tax dollars. What we have done is put together, again through a lot of hard work and diligence on the part of City staff working in partnership with the private sector. Those of us or any of you who study development and urban centers today it takes a partnership. It is not something the government can do alone and it is not something the private sector can do alone. This project really is a signal that Manchester truly is a City on the move. As you know, we were successful in redeveloping and things are moving forward

on the Bridge and Elm parcel of land that has been vacant for about 15 years without generating one single tax dollar to the City. That is now on track and is going to be generating not only taxes but bringing people to the downtown area and generating millions of dollars of activity from people living downtown. We have always been successful, through our Destination Manchester efforts of rehabbing a lot of the buildings that have been vacant in downtown. We have been working very closely again with the private sector to bring the pieces together. Again with the supporting creativity of City staff to rehab these buildings, bring new businesses downtown and create a quality of life downtown that many of us thought was in the past. We also have other very significant projects on the horizon that are going to be talked about in the future. We did put out the visual of the Granite Street widening project. As all of you know, it is a \$17 million investment of the City that Senator Gregg has been very helpful with in securing some assistance with Federal funds. It is going to open up a real gateway, a vista to the City helping us once again reclaim Manchester as a destination City for people all over the region and all over the country. What we are talking about today is a project that is going to bring significant private dollars to invest again in a parcel of land that is generating not one single dollar at the present time. It includes many creative components. Obviously the center piece of which is the baseball stadium. I know there are going to be a lot of questions about baseball this evening. Let me tell you very clearly about this. What is the status of the situation with the Boston Red Sox, which is a key issue? I want to tell you at this time that there is nothing new to report on that. We are in a very sensitive stage of entering into a dialogue with the Red Sox. As you know, they have been preoccupied with some other issues. Again, at this point in time it is very much a sensitive issue and something we are going to continue dialogue on. We have been working very quietly behind the scenes. I have had a conversation with Larry McKinno who promised me that in the short-term he would be sitting down with me and City officials to talk about exactly what we are planning for Manchester. That has yet to be a resolved issue. What we are talking about tonight obviously is a complexity of different projects that are going to bring over \$100 million of investment into our City. It is also going to bring a lot...the vision that many have had about the river, recapturing one of our most vital assets in our City for future growth, the river. It has also very exciting prospects in terms of our City again looking towards the future and building our tax base. It is critical that the Aldermen, in my view, get behind this project tonight because we are going to send a signal that Manchester is continuing to move forward by investing with opportunities to increase our tax base. We are talking about a major hotel development on this site. We are talking about housing. We are talking about retail development and investment and we are also talking about a power source for peak power that is very unique to our locality but is going to prove to be financially beneficial not only for this project but it will have an impact on the cost of electricity in our area. We are also going to be talking about a component looking at relocating Singer Family Park. We are also going to be talking about another component, rehabbing historic Gill Stadium, again to a state-of-the-art facility. Again, all tax positive for the City. All tax positive for the City opening up opportunities to allow us to continue to move forward in a way that is going to demonstrate that Manchester is building its tax base

and planning for the future by doing the right things at the right time. Again, one of the most significant economic development projects in the history of the City will be unveiled this evening. We welcome the opportunity to engage in constructive dialogue. Again, I want to thank the City staff, often maligned but today you come to appreciate when you bring people together you have a vision of what the City can be and you start walking down various paths as we have done with this project over the past couple of years with our people who are interested. We took some risks. We stayed on course. Today we are ready to take the next step to make this project a reality and truly make a statement about the future of our great City. I would like to now send it over to Mr. Jabjiniak who will introduce people and begin the presentation.

Mr. Jabjiniak stated if I didn't know better I would think you took my notes and read through most of them. Let me start by reintroducing to my right is Kurt Sanborn. He is one of the principals in Downtown Visions, Manchester Downtown Visions who will be the master lease of the parcel in question and also part owner of the baseball team. To his right is Reuben Perin of HNTB Sports Architecture. He will go through a detailed slide presentation. Mr. Sherman will be available to us. He will be covering the Memorandum of Understanding and be available to answer questions at the end of the presentation. Let me also introduce...there are many other members of the development team here. Let me start by introducing them. We will start with Frank Catapano, Joe Gazzola and Kurt who make up the Manchester Downtown Visions, L.L.C. Mark Israel from CZA Environmental, Bob Duval is here from Kimball-Chase covering civil and structural. Besides Reuben, Lane Welter is also here. He is one of the lead designers and director of the minor league sports. Tom Green from Solomon, Smith, Barney. He has handled a lot of their financial and bond consulting. David Rodell, the Rodell Partners are our hotel developers in this partnership. Joe Fitzpatrick from TRC Power, obviously they are going to handle the energy piece and Dave Collins of Rath, Young & Pignatelli is also here who is legal counsel for the team. You can see we have quite the representation and they are all here to answer any specific questions that the three of us can't handle. Let me start by telling you that the development team has worked very hard in putting this together and we welcome this proposal. As the Mayor said earlier, this does not generate one penny of tax revenue for the City today. It is no longer just a baseball proposal. It is a \$100 million riverfront development proposal. This development is approximately 80% privately financed. It has been some time since there has been that kind of private investment in the City. \$80 million of private investment. The City is being asked to finance the baseball stadium, however we have the new tax revenue that is being generated by this development that exceeds the cost of financing the stadium. This entire new tax base that we are creating does displace Singer Family Park but they have agreed to replace those facilities at another location. We talked about Gill Stadium as I think everyone would agree needs a total renovation. Mr. Weber has stepped up and put up \$1 million on the table to contribute towards that. The balance of that renovation, those costs will be included in the riverfront development itself and that is significant. That is another goal that you are going to accomplish with this project. The Mayor may it very clear

early on in this process also that there be no adverse impact to the tax rate. We have accomplished that. I am very happy to say that. That is an important piece. There is also no adverse impact on the school renovation program that is following its own track and that is important also. The Riverfront Park Foundation has control of the site and we can't forget that. We have been working with them and they have been working with us to accomplish this very important project and you are going to hear about how their debts to the City and other private concerns are being addressed by the developer. We have rolled them in. Tonight we are asking simply for your vote to support two Memorandums of Understanding that have been sent to you. Please note that the MOU's outline the business terms of the agreement. You will get several more chances to vote on this project. There are things like sub-leases...you have the Master lease first of all, sub-leases and eventually you are going to have to vote for the bond at some point also. Some of the details in the MOU still need to be fine-tuned and that will also be included in the Master lease. One of the items that is in the MOU, however, is looking for your authorization to carry out the feasibility study. Money for that has already been appropriated. We are looking to verify some numbers now. We are at that stage and we need that piece. I have already mentioned that Randy will be available after the presentation. He is actually going to wrap things up after the presentation and handle some financial questions. Really it is the developer's presentation at this point and the balance of staff and the development team will be available for anything specific. With that I am going to turn it over to Kurt Sanborn for some quick comments and then we will go right to the presentation.

Mr. Kurt Sanborn stated thank you Bill, Mr. Mayor and the Board for allowing us here tonight. What we are about to present to you is 10 months of work by this group of developers, private developers and City staff in guiding us down to this vision for the riverfront in Manchester. I would be remiss without pointing out that when we started this we spent a lot of time on the ground here in the City talking to residents, talking to all different types of people who potentially will be assisting us in this project. There is a sense and I can tell you we have been impressed with the sense of pride that this City has and the level of cooperative efforts we have had with the City staff. That in conjunction with the groundwork that has been set here between the arena, the airport, infrastructure between 293 and 93 has all culminated to create a sense of enthusiasm with this development team to make a significant private investment in the City. For that, you should be complimented and with that we will pass it HNTB and Reuben Perin for what we see a future development project would look like on the riverfront.

Mr. Reuben Perin stated thank you all again. HNTB and I thank you for allowing us to be a part of this development. We are very excited to be part of this because there are a lot of really interesting and exciting design issues that go along with this. I will first introduce the project with this aerial fly in. This kind of introduces the project and helps you locate yourself. It is down on the Merrimack River off of Granite Street at the terminus of South Commercial Street. There are a lot of components to the project. What I will do is quickly

walk you through the overall components and then I will get into the details of each component. Obviously the main component is this component, the minor league ballpark, the Double A minor league ballpark with a capacity of 6,500 fixed seats and upwards capacity of about 7,800 with berm seating and picnic areas. Let me quickly walk you through the components of the site. At the top of the site there is a hotel. This is a 120-room hotel. There is the minor league ballpark, which obviously is this area. There is retail surrounding what we will call Town Square. That is this component and there are components to the right of it. In between those two components there is a future train station to meet the needs of what we think will be commuter rail service to Manchester. The other components are residential and then the future needs of the City. The residential and low-rise units along the river and then a medium to high-rise structure with more condominiums. This site would be future developed by the City to meet the needs that we will talk about later and then the future power plant location down at the end of the site. What we did when we first assessed the issue or when we were addressing the issue of the architecture was the history in Manchester. There is a very strong history of architecture and it is a very strong community. What we would like to do is put a lot of those into our designs. I will quickly just go into the ballpark. There are a lot of components so I am going to try to make this fairly brief and then any questions you have we can answer later. This is the entry. It starts off as a circular terminus to South Commercial to turn the traffic around coming down South Commercial Street back north. This is the ballpark entry and it has its own plaza open to the public year round. Off of that plaza is the entrance to the ballpark and views into the ballpark year round. A ticketing office and the team store. I will quickly touch on the architecture. Most of our efforts to date have been in Master Planning and we have just started looking at the style and the architectural language of the stadium and some of the other components so please don't get some of these images too engrained in your mind because we will be developing them much further. I will talk about the amenities of the ballpark. It is going to be a very fan friendly and family oriented facility. These are a couple of examples of facilities that we have designed. This is a facility in California with a picnic area and a playground. These are on a concourse that overlooks the field. This brings us to what the concourse is. This is very unique to our designs at HNTB. The concourse actually surrounds the stadium 360° on the same level all the way around. This allows people to be on the concourse and able to look into the playing field and over the grandstands at the baseball field or at the baseball game while still doing other things like playing with their kids in the family play area or enjoying a picnic on berm seating or looking into what we will talk about later, which is a petting zoo. Again, this is the primary entrance into the ballpark. A secondary entrance to the south will bring people from Town Square into the ballpark. At the primary or plaza entrance to the ballpark you have ticketing offices and ticketing windows, a lobby to go into the administrative offices, which are also located at this end of the building. The yellow indicates the team store. Once you get into the gates, these are the primary entrance gates to the ballpark. There is a suite entrance. The light beige is concession stands. The blue indicates restrooms. Again this bright yellow is a restaurant on the concourse level, which is a very unique feature to a minor league ballpark. More

concession stands and more restrooms all equally distributed throughout the concourse. In the outfield we again have fixed restrooms and a fixed concession stand to meet the outfield need where we have berm seating and picnic areas. The unique features of this ballpark that are different than...I think some of you are familiar with the Lowell ballpark. This concourse we would consider very narrow. Our concourse is wider than that and it is also covered all along the infield so if there is inclement weather people can go under the concourse for protection. Another unique feature of this ballpark that we are planning on doing is a train, a kiddie train around the entire perimeter of the ballpark. That will take kids and their parents from a lot of different areas. There is a family play area in this lower corner all the way out to the berm seating and the picnic areas to all of the different drop off points like the petting zoo and all of the amenities that make for family entertainment. The next level I am going to go to is the level directly above this. Again, the kiddie train. This is an image of a team store and then some of the other venues that can be held at the minor league ballpark. The suite level is directly above this. On the suite level are 33 private suites, a member's club, party decks that can be leased to the general public, more team and administrative offices. Directly behind home plate is the press box and behind that are catering and kitchen facilities. This is a pretty unique set-up. Not too many minor league stadiums have both 33 suites, which is quite a lot of suites and the party decks as well as the member's club. The next level I want to talk about is the lower level. This is directly below the main concourse level. This is at grade with the Riverwalk and the purple indicates the location of the petting zoo. The other facilities on this level are more team administrative offices, the home team facilities, which include team lounge, team weight facilities, team training facilities, manager's offices, coaches offices, locker room, batting tunnels, showers, storage, they have direct access to the dugouts from this level underneath the grandstands, private access to the dugouts. There will be ADA access to the dugouts. I should also mention that the entire facility is ADA compliant and will meet or exceed those compliant regulations. The next component behind home plate is the catering, kitchen and dry food storage areas. This also includes a loading bay and some other storage requirements that the ball team might have. The first base side is the visiting team locker rooms as well as auxiliary locker rooms and official locker rooms. Further down the line we have maintenance facilities and a maintenance yard with direct access to the field in terms of a dugout and a tunnel under the concourse and through the grandstands. You will notice the irregularity in the field and you will probably have some questions about that later. This is something we like to do with a lot of our ballparks is give each field a unique look. It makes it a signature element that only Manchester has in terms of this shape field. The outfield will have a picnic area but will also have overlooks. You can go around the entire ballpark without having to show anyone a ticket. It makes for a really friendly and very exciting atmosphere. The next drawings will be a couple of sections that I would like to help explain the sectional relationship of the concourse. This is the main concourse. It is 36' wide and the concession is directly behind so if you are standing getting a soda or hamburger you can still see the game while you are at the concession stand. The suite level is directly above forming a canopy or a roof above the main concourse. Below is team facility storage and

maintenance. As you can see, the main concourse if you draw a line directly across actually lines up with the outfield concourse and the berm seating slopes down to an outfield wall. The next relationship I would like to explain is the relationship between Town Square and the playing surface as it relates to the concourse level of the ballpark. The playing surface and Town Square are equal in elevation or very similar and the concourse is raised up giving it dominant views of the playing surface and also down to the river and to Town Square. These are two retail components on either side of the train station. The next component on the site is the hotel. This is something that is still in architectural development. We are going to be working closely with the hotel developers architect to develop a facility that relates directly to the ballpark architecture. Again, this is very preliminary. We are working on it and its location on the site is right at the terminus of South Commercial Street. So as you are driving down South Commercial Street it will be in full view as well as the plaza level or the plaza entry into the ballpark. This allows the hotel to have direct view into the ballpark during game time situations. Fifty percent of the rooms would have views into the ballpark and we see it as a real key element in the entire development. The next development items are the retail indicated in red on Town Square. These will...most likely this building here will be built initially and then as market demand indicates this will be built in subsequent years. Kurt can address that later when we start addressing some of the other issues. The future train station. Here are a couple of images. Manchester used to have an enormous amount of trolley...complex web trolley systems and rails. The original train station in Manchester unfortunately was taken down. We thought it was a pretty neat building so what we plan on doing is replacing that with another historic archetype building that draws on a lot of historic reference for that building. We think the railroad and commuter rail has that nostalgia and it should address that. This animation brings you into the retail center and gives you a little bit of an idea of what the space looks like. You can see the views out over the amphitheater directly out towards the river to the other side of Manchester and to the landscape views. You can see in this image we start to introduce the residential component, the tall tower structure and then the low-rise residential condominiums. The ballpark can be seen behind the lower retail buildings and again the historic train station. Town Square can be used for a lot of different things like pre-game activities. We see a lot of activities happening here and this being more of a focal point of the entire development. Farmer's markets, kids activities and especially when the commuter rail comes to Manchester it will become a gateway to Manchester, a new gateway in addition to several other gateways you have. The high rise, we are still working on the height of this thing but we know it will be fairly tall and have views into the ballpark and commanding views of the river and far reaching landscape. The low rise, three story condominiums will all have parking associated with them, covered parking, as well as the tower. Most likely the parking will be contained within the units themselves or underneath the units. This is another sectional view of what the relationship between the Riverwalk, the amphitheater and parking and then Town Square with the retail and train station and again the ballpark behind. We do plan on continuing the Riverwalk and further building on the strengths that it has already started. It ends approximately just past or on this side of the cemetery brook but we

do plan on putting a new trailhead and designated parking with that at the intersection of the future pedestrian bridge and the existing Riverwalk system. That will be ADA compliant and also provide designated parking for the City.

Mr. Jabjiniak stated let me just jump in and if you notice the Riverwalk does continue to the North and we are continuing it along their property and also on to the Langer property, which I think is good because now we are starting to move the thing North. It goes right up to the Langer mill building so that open parking lot area will also have the Riverwalk developed alongside it.

Mr. Perin stated I am going to let Kurt speak to this.

Mr. Sanborn stated one of the other developments is we proposed a peak power facility. These are small turbines, generators, used only during peak power usage in the City and State meaning the dead of winter and the summer when everybody has their air conditioners going. The value of this on the site is that it takes up limited space, has very limited impact and creates a very sound tax base for us. We have placed it down on the industrial end of the site behind Jac Pac where there is very little, if any, visibility to it. We feel it was a very complimentary use on the site.

Mayor Baines stated please explain that the image up there was not the image of the plant.

Mr. Sanborn replied that is not what it looks like. That structure there without the top piece. It is approximately the size of the back of a tractor trailer truck. These are self-contained units. They just basically sit down on a concrete pad. There are none of those tanks or anything. Those are oil tanks and back up fuel sources. This would be a natural gas facility. As most of you are aware Keyspan is directly in front of the property and they have a very significant gas infrastructure already on the site.

Mr. Perin stated the next item I would like to address is the cemetery brook or the CSO facility. This is a situation that is currently being assessed. Right now the City is going through some studies to determine where a wastewater or the drainage from cemetery brook should be dealt with. This is just an option but we wanted to accommodate the City's needs if it became the final solution. It is probably going to take a little bit more time for the City to go through those issues but we didn't want to accommodate the City's needs for that so we have allowed a large parcel of land on the southern end of the site to deal with that. Again, the environmental, we did have GZA do an environmental study of the site looking at the contaminants in the ground. There are a few and we can talk about these specifically but just as an overall concept what we have done is graded the site so that we least impact these areas of concern and any of the major areas of concern we are surface parking over them and we will be doing a lot of site clean-up to fix a long-term problem that the City has had with the site. The development itself will be actually cleaning up the site and alleviating a lot of

the issues that have happened here. We also did a study in terms of the utilities on site. I mentioned before cemetery brook, which flows into the river and it outflows. The EPA has mandated that some changes happen so during overflow situations it not flow into the river. What we have done is we Master Planned in and this is still an option for the City if it deems that it is the best solution that it gets diverted down to storage tanks at this end of the site or whatever facility is deemed the best solution to the problem. The power, the high-tension wires that actually run at this location on the site will be relocated to parallel the railroad tracks and the service road on the East end of the site. Those are really the only two major lines that actually go through the site. There are some minor ones but they are very easily moved. We then take a look at parking and site circulation. These are just concentric circles around the site or the middle of the river showing proximity of our site to other areas in the City. Parking is an interesting animal as you relate it. Most of you have probably gone through this process with the arena. It is a little different situation with a ballpark because of the summer months. You have walking distances that are greater and you have people that you want out on the street walking through the City. You want them to park in the City and walk to your ballpark and experience a lot of the redevelopment that has happened in the City. It is part of an economic cycle that you want to happen. What we have done is we have located the major circulation routes into the site and around the site. We are still working with City planners on this and still trying to address the issues. This is close to a final solution but we are working with them to get some advice on this. The basic concept is South Commercial Street will terminate in a turn around with a bus stop and then be redirected back out towards the City. Again, another major route in towards the development at the back end of the site. One way circulation going through the retail and residential areas turning around and going back towards the City.

Mr. Jabjiniak stated that big rectangle at the top that he has highlighted is actually big enough to hold a park and ride facility that was anticipated for this site. That is certainly an alternative. We have made space available. It can be used as surface or tiered parking now and if the design goes through and the State steps in we are able to put a park and ride facility on that site still.

Mr. Perin stated what we have also done in this study is look at the surface parking that we will be doing in Phase I and I think in the books we will hand out later you will be able to read some of the numbers. It is a little small on this diagram but we meet all of the surface parking needs of the site. He also mentioned that we talked to the Langers about the site North of our site between our site and the Langer building. That would be developed with this entire phase as surface parking. Gill Stadium is also included in this project. This is a pretty important project we think because first of all Gill Stadium will be used for minor league ball for one year to bring the team here one year earlier to build excitement for the project and also as a way to get Gill Stadium renovated. As architects we really love buildings like this. They are fascinating because they...especially this one because it really has remained unchanged for many years and I say that jokingly because not much has been

done there and you can see where certain seating areas have collapsed in. There are rusted pipes and the rest. The architecture actually remains stable but needs a lot of work. We do plan on repointing all of the brick work, replacing all of the seating treads in the bowl and adding a canopy, period canopy that matches the period in which the building was originally built. That gives it a new front door or gives it more street presence. Also a new stadium sign. The sign that exists now is actually right above these two arches and in the summer months it is really not visible through the foliage so what we would like to do is give it more street appearance and also be able to have the teams that are there put their names on the stadium and have people be proud of the facility that they play in so high schools, the high schools that play there, the legion teams that play there can put their names on the signage. We will retain this existing ticket office but it will be remodeled on the inside and the outside. Other improvements are a synthetic turf. This is not Astroturf. It is actually a much-improved surface that has actually been installed in one of your new local high school playing fields. This is a, I wouldn't say no maintenance but it is low maintenance relative to a natural field turf. Its life span is undetermined because none of them have yet to be worn out. They are very durable and they are great because you can play on them immediately after it rains and it allows for a lot of different teams to play on it at a greater frequency than a natural turf system. We do plan on replacing all the treads and risers and all of the benches with true seat armrests, cupholders and true chairback seats. The ramps will be looked at. We are looking at improving one of the ramps to meet ADA regulations. The end ramps do meet those but the overramps do not meet ADA and we are possibly looking at regrading those ramps to make them meet ADA regulations to get ADA seating to the upper levels and also improving the ADA in the lower levels. This is a plan of the interior of the building, which we plan on gutting most of. Not much is worth saving in there besides the newly renovated high school football locker rooms. They have done a nice job of renovating those and we want to continue that renovation throughout all of the other facilities. I will quickly explain to you that the minor league team when it does play here for one year if it does play here for one year will be on this side of the building. This will be all of the minor league facilities – locker rooms, manager's offices...this one area that I will talk about specifically is designated for their training, weight room and team lounge. This will be plumbed for a locker room but the fixtures will not be installed that year. In the 2005 season they will be installed and that will be turned into a fourth locker room making it four locker rooms for this facility. A high school football locker room, a newly renovated locker room on this side, the minor league facility, which will then be passed over to the high schools or legion and then a fourth locker room. Both of the restrooms that are there now we think should be completely gutted. I don't think there is much to be saved in there and if you have been in there you will understand why I say that. Two additional restrooms, men's and women's will be equally dispersed in the lower area that is currently used as concession stands and the open area that is in front of that we plan on putting in new concessions. It is not a real pleasant space to be in right now and the public space, we think, should be out front and to provide protection from rain we will add some canopies over the openings for the concessions. Let me go back. I forgot to mention that the dugouts will be expanded to fit an

entire baseball team instead of just half a baseball team, which I think they now seat and handicapped armlets will go into those dugouts also. The next facility I would like to mention is Singer Family Park and a new location for Singer Family Park. One of the locations that was mentioned was Derryfield Park. This is not final. I know the City is doing some studies to look at other areas but we will move the existing facility up there. That includes press box, grandstand, the lighting and rebuilding the concession and restrooms. We will also provide new parking. We have Master planned in a location for future tennis courts and also added a loop road to tie in the rest of the site. That is pretty much it for the components. I am sure you will have a lot of questions later and I will be pleased to answer those but let me quickly pass you off to Randy for the next part of this.

Mr. Randy Sherman stated well you have seen the sexy part of the presentation and now we will get into the documents that you have in front of you. I just want to make it very clear the role that staff has played. The developers and there are two developers, I want to make that clear when we go through these MOU's, between the land developer and the stadium developer, have brought this proposal forth to the City. They understand the ground rules and the role that the City has really played here in developing these documents...while you obviously can get no 100% guarantees of protection, our role here was to get as much protection for the City as possible and still get this project developed and moving forward. All of the numbers that you are going to see when we get to the preliminary financing numbers have been developed by Tom Green from Solomon, Smith, Barney. He has been actually hired by the developers to do the numbers. We have dealt with Tom on a number of City bonded projects and we have given all of those numbers a test and when we actually go out and do our financing we obviously will be getting our own underwriter and doing our own numbers on it. Again, I will just put that forward. What I am going to talk about here again are the two MOU's that you were sent on Friday and I will give you a brief overview of the preliminary financing plan. The first document that we have is the stadium and property development MOU. What this does is it actually will require the City or ultimately at the end of the day the City will finance the stadium construction up to \$27.5 million but before the City does that a certain number of items have to be met and some of them are the documents that will follow here but the main points that have to be met are first the team has to be in place. You have to have a Double A baseball team and that doesn't mean just a purchase and sale. It doesn't mean a Memorandum of Understanding to buy one or an option to buy one. You have to own a team, which means you have to have your Red Sox approval. Nothing goes forward if they don't have that. We have to have generated sufficient revenues from the site to satisfy the debt and as we go through you will see that those revenues can take a number of forms. The Riverfront Foundation is relieved of its financial obligations. Obviously we are taking the Foundation out of the picture. They are buying the lease out, taking the assets and moving them so that has to be in place. Gill Stadium has to have been renovated and the team has to sign the lease to occupy it in 2004. As I mentioned there are a number of documents laid out in this Memorandum of Understanding. I guess I should step back and say what the Memorandum of Understanding

does for us. Although there are some business points in a Memorandum of Understanding it pretty much lays out the process that we are going to use going forward. It says listen this is how we are going to do it. We are going to agree to agree and this is what we are going to agree to agree on and this is the process on how we are going to do that. What this Memorandum of Understanding does is it lays out a number of documents and let me go through those. Every one of these documents you will see back in front of this Board for a vote. As these documents are developed they will be coming back here. As Bill mentioned earlier there will be a number of votes that you will actually be asked to take. The Riverfront Foundation agreement. This will be by the stadium developer. Again we have a stadium developer and a land developer. The stadium developer agrees to buy the Riverfront Foundation out of its current lease. What that entails...the Foundation currently has outstanding debt to the stage contractor. They have outstanding debt to the Bank of New Hampshire and outstanding debt to the City. All of those will be paid off so the Foundation has no debt going forward. The City will also have to enter into an agreement with the Foundation to terminate the current lease that we have. They have to give that land back to the City. The stadium developer has agreed, as had been mentioned, to move the soccer facility to a site specified by the City. The next document that actually comes out and these documents come together. It is one after the other after the other. You are not going to see them in a helter skelter order. These are the order that you will see them coming back in. The Gill Stadium lease. Again, the team will be here for the 2004 season. The developer will assume all responsibility for the maintenance and operating costs of the facility for 2004. Again, the design and renovations that Reuben just pointed out, they will be responsible for doing all of that. Again, the stadium developer has offered to contribute \$1 million toward the capital cost of the renovation. Once we have the Gill Stadium lease in place we move on to the Master lease. The Master lease is with the land developer. What the Master lease does is it takes that entire piece of property that you see in all of these drawings and leases that out to the land developer. The term of the Master lease is 49 years. During that term they have the right to purchase and at the end of the 49 years we can talk about either a renewal of the lease or actually talk about selling the property if they haven't already purchased it prior to that obviously. Again, the land developer will be responsible for all maintenance and operating costs, any property tax payments and I lose the term pilot payment here and Steve Tellier has corrected me. That is probably not the right term to use but there may be other payments that are required if the property taxes aren't sufficient at a certain point or other payments that we may be requiring from the properties. Again, it is not a payment in lieu of taxes. The lease for the Master lease will be leasing this property to them for \$1/year plus 20% of any net revenues that they generate from the property by sub-leasing it back out to the hotel or residential or power plant. The land developer again as you have seen is going to come in. They are going to take this piece of property. They will divvy the property up and it is their responsibility to see that these four developments get undertaken there. There will be a minimum of \$40 million of assessed valuation on the property. That is a key number because we will not issue the debt if there is not \$40 million of assessed valuation. That is part of the deal and again when I get into the numbers you will

see why that number is crucial. Again, if they should happen to come back and I think Kurt mentioned that some of the stuff will be built as demanded and you may see demand flow more to residential and retail or vice versa. If they want to make any changes to the development plan, they need to come back to the City and get your approval to make those changes. Again, I used the word pilot grant but I do want to emphasize this is not a payment in lieu of taxes. This is an agreement that we are putting in place to give the City some assurances that it is going to get enough money from the property to make the debt service payments. I point out the third bullet up there. There will be a cash escrow or letter of credit equaled to three years of the debt service. While we are waiting...as we start to proceed in case something falters like maybe the power plant doesn't go, these dollars will be in place in case we run into an fatal issues on any of the development projects or anything that slows us down. The land developer is then going to develop a number of sub-leases. He is going to take that parcel of property and divvy it again into the different parcels and sub-lease those parcels back out. The conditions that the MOU lays out for the sub-leases are that one they have to agree with all of the terms of the Master lease, that the length of the sub-leases cannot go beyond the Master lease...the City again has approval of all of the sub-leases and the stadium site is one of the sub-leased properties and it is coming back to the City for \$1/year. We are going to lease them the entire property and they are going to turn around and lease it back out including the stadium site back to the City. Once the City then controls the stadium site again, the stadium developer, now we have left the land developer and we are back to the stadium developer, is responsible for all of the permitting, design and construction of the stadium and that is what this agreement is going to lay out. The City has approval on the design. The City will have its own construction and development consultant that will be paid out of the bond. There will be a guaranteed maximum price of the construction. The stadium developer, again if they come in and say listen we want to spend \$29 million, they are responsible for those additional costs over and above what the City has given them for a cap and we are requiring them if they do that or if they have got that that they will escrow those dollars so we insure that the project gets completed. Again, I guess the most important thing I want to point out is the last bullet up there that the City will own the stadium. This is a City owned facility, as is the arena. Once we get the development agreement done we will now move into the management agreement. This is the agreement between the City and the team to run the stadium. The way we have this set-up is we have given them a cap of \$25 million for the entire project. Based on that \$25 million and their feasibility study and I emphasize this is based on their feasibility study, we accept a minimum annual payment at \$750,000. We have, however, or the developer however has asked us to have up to \$27.5 million if they should choose to want to do some additional things. What we are going to do as Bill mentioned is the MOU requires the City to do its own feasibility study. Once we have done our own feasibility study we are going to go back and review whether the \$750,000 is a feasible number and they can meet that. If we think they can pay more we will go back and negotiate that minimum payment so we can get the debt paid off quicker. Again, the stadium developer is responsible for all of the maintenance and operating costs and any property taxes and again pilot payment is used but any other

payments that are coming out of the facility back to the City. Again, the City has no responsibility for those operating costs. If they are running a loss that is their concern, that is not ours. The stadium developer will set aside a capital reserve and replacement fund. The size of that fund and how it will be funded has not been decided at this point until we get better capital numbers and know what materials are being used and those types of things. Again, by the time we get to the management agreement we will have all of that information. They will be establishing this fund and funding it. Again, the City will retain the right to use the stadium obviously when there is not a baseball game going on or practice going on over there we will have the right to use the stadium for any other purpose at cost. So obviously we will have to pay utility costs and janitorial costs and any costs to open the stadium for City use. By approving the MOU tonight for the stadium and property development, these are the next steps that are going to take place before we come back and talk to the Board again. The first thing is the land developer will start to finalize the Riverfront Foundation agreement. My understanding is they have had significant discussion with them and they are probably pretty close to a settlement on that agreement as it is. The stadium developer will finalize the purchase and sale of the team and move that process along. The City will draft a lease termination agreement to bring back to the Board. The City will start the feasibility study. We expect that to take about 90 days or so to get a result assuming their schedule matches your approval. Then the City will start the draft of the Gill Stadium lease. Again, those documents will be coming back to the Board. The power plant MOU we did as a separate agreement because of its uniqueness and the way that this facility plays crucially into the numbers because of the impact. As Kurt mentioned it is a relatively small facility in size but a relatively large facility in the dollars it is going to contribute to the project. What the MOU with TRC does is it gives TRC the exclusive rights to develop that project and the gas fired electric peaking facility. For the right to have that exclusivity, they will be providing \$250,000. What that does is it...the City will not obviously have the ability to go out and market that site for another purpose or market that site to anyone else for a peaking facility. They will be paying the City \$250,000 for that right. A revenue sharing provision has been built into the MOU. For every kilowatt-hour that is generated in the facility we will receive \$.0015 back to the City. It doesn't sound like a lot but we will see over time how that does. That was the proposal. The way we have structured the agreement, again because of the financing of the stadium we are looking for a guaranteed minimal payment to the City of \$500,000. Now we had anticipated that this would be in the form of a property tax or maybe a lease payment so we can role these numbers into the financing. In talking to Steve Tellier, they did some due diligence on this and they feel that the minimum assessed value here is probably \$25 million per unit and they would like to bring in definitely one and possibly two units so the \$500,000 right there is the property tax so that is probably a good number and we won't need an additional payment there. If property taxes come in less than that, we need to make up that difference and get up to that \$500,000 and they have agreed to that. A couple of other key elements here that the Mayor kind of touched on is the City has first rights to the capacity coming out of the facility. If we can procure that power for our own benefit or benefits of our constituents in the City that is obviously going to save the City

some money if we can get in there and get that as close to cost as possible. The City has also retained the right to actually have ownership in the property if we feel that that is even more beneficial to us. The only reason probably that it would be more beneficial to us would be due to the City's borrowing rate versus private borrowing rates. On the preliminary financing the first point I guess I would like to make sure that everyone is clear on is that the City has absolutely no role in the hotel, the power plant, residential or retail developments. Those are all privately financed. There are no City dollars going into that. The \$25 million financing includes the new stadium, it includes the Gill Stadium renovation and all soft costs, financing costs and having City representation on the construction project. The stadium developer as I mentioned earlier has requested up to \$2.5 million for additional stadium amenities. My feeling is that probably includes the kiddie train and those types of things if that is what they want. As we get into that, the way the City is looking at this financing it will be issued as a general obligation bond of the City up to the first \$25 million and again if we come under the \$25 million we are still going to get these payments but up to the first \$25 million the stadium developer will pay a minimum of \$750,000 a year. Again, this minimum as I mentioned earlier may increase based on the actual financing costs. Again, if interest rates should happen to rise and we need more money, that dollar amount may rise. If the feasibility comes in and it is extremely favorable or more favorable than they had in their feasibility study or if actual operating costs...if you see the same type of reaction to this facility as we have seen at the arena and there are more revenues in the stadium, the \$750,000 minimum will increase. It will not decrease though. If the stadium developer chooses to tap into some of that \$2.5 million extra, the stadium developer will pay the actual cost of whatever that extra is and again the City will provide the financing for an additional \$2.5 million and if it goes over the combined number there of \$27.5 million the stadium developer will actually have to come up with the capital dollars on their own. The key here now is on the numbers. I mentioned the \$40 million in assessed valuation before. \$40 million in assessed valuation at today's tax rate and I mean today's because we set it today at 3:30 PM, will generate approximately \$1,050,000. If the total development that they are proposing down on the riverfront should happen to come around, the entire land will develop \$2.6 million in new revenue. Again, that is based on today's tax rate. The land developer has committed \$150,000 annually from the hotel land lease towards the debt service. You add the \$1,050,000, the \$150,000 and the \$750,000 that we are getting from the stadium as a minimum and you total that fourth bullet up there of \$1,950,000. The debt service on \$25 million and I received new numbers from Tom Green this afternoon and we are still in this...actually his numbers came in at less than the \$1.8 million but are \$1.8 million. If we go back and we get the entire development and we generate \$2.6 million, we are using \$1.8 million for the debt service. The key is before we even finance we know that we have the \$1,950,000 banked on so we have enough at that point to cover the debt service.

Mr. Perin stated the last thing we want to talk about is briefly the construction schedule and the schedule for the development. The top bar represents the new ballpark. The next bar down the retail development. Residential below that. Hotel. The power plant can be put on

line fairly quickly because it is a pre-packaged deal. It can actually move anywhere along this line. It is very flexible. There will be some permitting issues with that. Gill Stadium we would have open for the 2004 season. That means over the winter and late fall and early spring construction hoping not to displace any of the teams that currently play there except for the year afterwards and the City is talking with the School District to plan a favorable relocation for that one year that the stadium is used as a minor league ballpark. The big date obviously is opening day 2005. The top four facilities – the new ballpark, the retail, the residential and the hotel all would come on line at the same time. The hotel might open a month or two earlier, but they all plan on at least being open for opening day in April of 2005. Singer Family Park being the last item that would be done in 2003 in time for the start of construction on all of the other projects. That would not dislocate the soccer teams that actually play on that facility right now. Again, the location of Singer Family Park, the future location, is not yet determined by the City. That is it and I will now hand it back to Bill Jabjiniak to open it up for questions.

Mr. Jabjiniak stated I want to wrap-up, I think the Clerk does have books to hand out which covers this presentation. I think we are ready for questions.

Mayor Baines stated we are going to keep the presentation on the screen in case people want to go back over different slides. The last thing that I would like to say at this phase of the presentation is when we are successful with this project I believe you are going to see some other very significant economic development projects come forward to help us build on the tax base. I think it is going to provide some unique opportunities for the Hands Across the Merrimack Project, the pedestrian bridge, that is going to go over into the Squog area of the City. We have been talking about the Squog area for potential redevelopment for some time. It is going to be a catalyst for a major redevelopment project on the West Side of the river, which I think is going to be very significant to the City. It is also going to be a catalyst for other projects that are on the drawing board for downtown, including the Courthouse Square project and other projects that are on the drawing board to rehabilitate existing parcels of land in the City and bring it up to its maximum potential. This is really the beginning of a step-by-step, inch-by-inch process to increase and strengthen the tax base of the City, which is going to enable us to meet our basic obligations to our schools, to our Fire Department, to our Police Department and to all of the different services that we provide the citizens of the City. Without projects like this, we are not going to be able to maintain existing services in the City in the long-term. That is why this project is so critical to the future of the City. We put a lot of time and energy behind this project and we are asking for the support of the Board to move to the next step. Again, there are going to be many other votes along the way but this is the first step in moving this City in the right direction to build on its tax base, which has been neglected for too many years.

Alderman Shea stated I am not sure whether or not I want to go into a full discussion but the key point I guess is that the City officials in this particular project worked very diligently and

they informed the Aldermen as far as what was going on. They are to be absolutely commended. They did a magnificent job. If every project in the City were as well-designed and well-coordinated and well-organized as this one then I don't think anyone in any walk of life would have any complaints at all. What I want to ask is and I think it is probably directed to the Mayor, when will we get a decision about the ball team?

Mayor Baines replied again that is the unanswered question. I can tell you that a significant amount of effort is going on behind-the-scenes, behind the headlines if you will to work on that project. I cannot give you a timeline today but I am optimistic that we are going to be having some fruitful discussions with the Red Sox in the near future. That is about all I can say about that subject. You can all ask me the same question but that is about as far as I can go with that.

Alderman Shea asked there is no ballpark date like three months...

Mayor Baines interjected definitely no ballpark date, no. You know the thing that I have said repeatedly is if, in fact, the Red Sox were to say no to Manchester they are basically saying that affiliated baseball could not come into New Hampshire at any time unless it was with the Red Sox. That would put New Hampshire as one of five states in the whole country – I believe New Hampshire, the Dakotas, Alaska and Hawaii. I don't think that in the long-term makes a lot of sense for the Red Sox and it also doesn't make a lot of sense for New Hampshire and our economy. That is going to be the discussion that we are going to take forward. I want you to know that I have many allies aligned to help us with this effort, but again please don't press me anymore on that issue.

Alderman Shea asked on Page 4 and many of my questions have been answered. I reviewed this thoroughly and I have three pages of notes and 95% of it but on Page 4 it says...

Alderman O'Neil interjected Page 4 of what.

Alderman Shea replied of the summary. At the top of the page it has the word "contemplated." Now looking up the word in the dictionary obviously is a Latin word meaning "con" for and "completes" meaning "to observe." My point is that wouldn't the wording be a little stronger instead of...you know the definition says to view or to observe. Wouldn't it mean a little bit more if legally we said "will be required" rather than "contemplated"? I am not sure but that kind of struck me. When we contemplate something we kind of observe it from a distance and we view it.

Mr. Sherman stated let me go back to the comment that I mentioned earlier. First of all, this is just the summary. It is a little tighter in the Memorandum of Understanding but again we may not necessarily need that pilot agreement if all of the things are in place. I think and I will say because I don't think Bill introduced him that Walter McCabe is here from Ropes &

Grave. If you feel you need to jump in and clarify the document that you wrote, Walter, that would be fine. Again, at that point we think we will be entering into a pilot agreement but we may not need to if some of these other developments are in place. Again, we really feel that the main thing we are going to have when we enter into the master agreement is they are going to have to pay property taxes on the land. They own the land. It is leased to them. If the other developments are in place, we may not need to hold the land developer to anything.

Mr. McCabe stated very simply all that was intended to do was to say that we may enter into an agreement in order to have a minimum level of taxes or payments in lieu of taxes paid if property taxes are not going to have the right base amount. That is why we used the phrase “contemplated.” We weren’t sure which direction we would go in.

Alderman Shea stated the last point is, your Honor, I know that when we entered into another agreement we certainly didn’t have veto power over that agreement. The people that designed that did so I am just going to quote that when the City does enter any agreement, with a written agreement you have a prayer. With a verbal agreement you have nothing but air. I hope we will have that written agreement. Thank you, your Honor.

Alderman DeVries stated I have a couple of questions on Gill Stadium. The \$25 million construction on the stadium does that include just the \$1 million renovation?

Mr. Sherman replied the \$25 million that the City will finance will include the entire portion of the City’s share of Gill Stadium. So the \$1 million has already been subtracted out before the City finances.

Alderman DeVries stated I did notice in the agreement that the major league ball teams actually have a specification for the final design on Gill Stadium before they will allow you to play there for the one year. I am just wondering if anybody can give us a ballpark as to what we are looking at between the \$1 million and the rest of what the City obligation might be for Gill Stadium to meet those standards.

Mr. Perin replied \$4 million total.

Alderman DeVries asked so we are talking an additional \$3 million.

Mr. Perin answered yes. When we talk about NAPBL standards, this is...especially when it is a one-year temporary facility we will not be meeting every single requirement of the NAPBL. We will be talking with NAPBL to get the stadium to what we think and they think the stadium should meet and there are certain requirements that we absolutely have to meet and then there are certain vending of those requirements. Obviously a full minor league stadium is going to cost more than that amount but we want to get it up to a level of standard that they are happy with for that one year.

Alderman DeVries stated let me bounce that right back to Randy again then. The additional \$3 million, explain that again. How is that going to be built in to the City's finances?

Mr. Sherman replied when the City finances the \$25 million, we will provide a \$25 million escrow for them to drawn down as they do the construction project and within that \$25 million is the Gill Stadium dollars.

Alderman DeVries asked so you are saying \$22 million will be for the new stadium and \$4 million will be for Gill Stadium.

Mr. Sherman answered that is right.

Alderman DeVries replied that was the clarification I was looking for. Thank you.

Alderman Wihby asked Randy can you put that screen back up where we had the \$2.6 million and \$1.9 million and \$1.8 million numbers. While you are doing that I have a couple of quick questions. Page 4 again on that same sheet that Alderman Shea was talking about there is an underlined word that says "must purchase property from the City" but yet on the display that you had up here it said they might purchase. Is what was on the screen right or is the "must" right? It is number 2.

Mayor Baines asked where is the contradiction, Alderman.

Alderman Wihby replied it says "developer must purchase the property at the end of the term" and up on the screen when we were watching it, it said they will decide or something like that. One says they must and the other says they can if they want.

Mr. Sherman responded right now in the agreement it is a must.

Alderman Wihby stated that is not what was on the screen.

Mr. Sherman replied you are right.

Alderman Wihby stated explain to me the \$2.6 million, the \$1.950 million and the \$1.8 million again.

Mr. Sherman replied I probably have that second bullet out of line but if you take the \$750,000 that you get from the stadium, that was on the prior screen, we get the \$40 million of assessed valuation so whether that is the power plant, the hotel, the residential...whatever the combination is, they have to have \$40 million of assessed valuation as the Assessors will sign off on a \$40 million number. At today's rate that generates the \$1,050,000. The land

developer has said that they are going to be taking the land under the hotel and leasing that to the hotel. They have committed \$150,000 of that land lease rather than to the debt service. If you take the \$750,000 from the prior screen and you take the first and the third bullets on this screen you come up with that \$1,950,000. If the entire project goes as they envision it, including the \$750,000 from the stadium we would generate \$2.6 million.

Alderman Wihby asked the difference between the \$1,950,000 and the \$2.6 million...

Mr. Sherman interjected is all of the additional assessed valuation that they envision on the...

Alderman Wihby interjected so worst case scenario you are showing that we are going to make \$150,000 a year.

Mr. Sherman replied that is the coverage as of today.

Alderman Wihby asked are you saying then that there is a potential that there is another \$650,000 that the City would be making also on top of that.

Mr. Sherman answered and more because obviously as your tax rates go up your debt service is going to stay level and they are going to get further apart. Also, if the stadium is successful the \$750,000 number will go up. The other thing I will say is the \$2.6 million is only based on having one peak power facility. If they decide to bring in two units, that would probably add another \$500,000 to that number.

Alderman Wihby stated explain to me again why it is a general obligation rather than a revenue bond and what does that mean to our...you know how we always had a number, what does that...

Mr. Sherman interjected we decided to go with the general obligation bond because in order to have a revenue bond you would have to have sufficient revenues, non-tax revenues, to make it a revenue bond and there aren't sufficient revenues to do that. In essence what you are doing without doing it is you are really using the concept of a tax increment financing zone but if you set-up a tax increment financing zone all of the taxes that are generated within the zone stay in the zone. We did not want to do that but that is the concept that this is based on. That the property taxes you are generating will go to service the debt service after you have the lease payment from the stadium. Now the reason you are going to use the general obligation bond is it is the cheapest form of financing that the City has. You are a Double A rated community. You can avoid having to set-up bond reserve accounts. You can avoid some of the financing costs that are associated and insurance costs and those types of things by going with a general obligation bond. As far as how this impacts...when we sell this to the rating agencies again we are going to sell it like it is a TIF without being a TIF and

it is new revenues that are generated. We don't see this as impacting the annual bonding capacity that we give to the Board. It certainly doesn't impact what we are doing with the schools. All of that stuff is already in the financing plan and doesn't change.

Alderman Lopez asked can we go back in reference to taxes not being used how do you answer, Randy, indirect taxes are being used for this project. If the hotel is built without the stadium, you have to figure \$250,000 in tax revenue coming to the City and if the condominiums were built and the power station were built without the stadium...have you done a calculation as to what type of revenue we would receive or tax revenue we would receive?

Mr. Sherman answered pretty much what you could do is if you said the stadium did not exist but everything else happened and we assume the stadium site remains vacant, you could take that \$2.6 million subtract out the \$750,000 and you would be at \$1,850,000 and if everything else came into place that is the property tax that you would generate down there. The marching orders that I think we got from the Board were no adverse impact to the property taxpayer. What we have here...there is no adverse impact. It is a positive impact. If this was a privately owned piece of land the developer, assuming he could come up with his own funding for the stadium, he could do that on the stadium. What they are asking the City to do is help them with that financing to get them some lower costs and make the deal work for everybody. You are right. If we didn't issue the debt we would get the full \$1,850,000 assuming everything else went.

Alderman Lopez stated I understand that financially the project is good. Looking at what the City has in the future as far as the schools and the \$60 or \$70 million and the debt service that is going to fall down so that we can do some of the other things in the City...I don't know if there has been any calculation as far as Police and Fire and what that is going to cost with this project. Has anybody looked into that particular aspect?

Mr. Sanborn stated I will answer from the developer standpoint. Everybody that is on this site, the private developers that are financing their parcels, all based their proformers on the success of a baseball facility. I don't know if this development will work without the baseball facility. We have never scoped the project that way. Some may and some may not. To say that it is going to still throw off \$1.8 million would not be accurate I don't think. I don't know if that is true.

Alderman Lopez stated I have one more question. There has been some discussion, Randy, that this is a tax financed district. Could you explain if this is a tax-financed district? I understand that the money would stay in that particular location. Is that true or is it not?

Mr. Sherman replied we are not establishing a tax finance district. We are, however, using that same concept in paying the debt service for this facility. In essence, all of the taxes and

these revenues will go into the City's general fund. The debt service will be paid out of the general fund. We are not going to take the taxes from the hotel and go to the Tax Collector and say okay you have to put that in a separate account and you have to take this one and put it in a separate account. It all goes into the general fund so it is all going to roll in and roll out of the general fund. We are not setting up a district and that is the exact reason why we are not setting up a district because if we get up to \$2.6 million that additional \$800,000 would not be available to the City to use outside of the district. It would have to stay in there.

Alderman Garrity asked, Randy, is this still a tax positive project if the team goes defunct, belly up or however you want to say it.

Mr. Sherman answered if you get up to the \$2.6 million, if the entire project goes, it still would be a tax positive. Even if you lose the \$750,000 you would still be over the \$1.8 million. When we get to the management agreement that is where we build in the protections for the City against the team going defunct or the team backing the truck up some Saturday night and taking all of their equipment and taking off for Indianapolis. That is where you start to build in those protections. Again, that all comes before you are issuing any debt. At that point you have the assessed valuation and you have certain protections. The worst case is you have a stadium and what we did at the arena is we have a three year protection if something goes sour there and that would give you three years to refill the stadium. Again, there are no guarantees. You can only put in the best protections that you can.

Alderman Garrity stated let's say the team goes defunct. Do we have an estimation of what the cost will be because it is going to be a City-owned stadium, what the cost would be to maintain that stadium?

Mr. Sherman asked to put it in a deep freeze and keep it that way unused. I don't have a cost for that. It certainly is something we could develop.

Alderman Garrity stated I think that is important, your Honor. Nothing is a guarantee like Randy just said and if the team takes off or goes out of business we have to maintain that stadium because it is City owned and that comes with a cost.

Mr. Perin replied I can kind of address that a little bit. A stadium like this would probably never go unused. A modern facility like this is a place that is very desirable by a lot of ball teams that have older facilities and the opportunities for a team in Manchester are pretty good and we see that from what the hockey team has done. I don't think a team would just up and move to Alaska or Hawaii. I don't think it would ever go unused for more than a year if that and because the operator of the team is such a good operator it would most likely be a success. I don't think anyway foresees it being defunct.

Alderman Garrity stated obviously the team that is rumored to come here is moving out of town from where they are now so those types of things do happen.

Mayor Baines responded the only thing, Alderman, and I think it was very well explained I mean this particular market I think we have proven it. This could be a very successful market but we are also asking, as far as this project, to do that study that we asked many months ago to do and for a variety of reasons we didn't do it but those are the things we are going to get into. What is the viability of this market? What are the prices that will make this thing work? Those questions will be answered. Again, this is a step-by-step process and all of these questions will be answered going forward. That basically sums it up. The feasibility study is necessary.

Alderman Guinta stated I did want to actually talk about the feasibility study for a moment. We are asked to...whatever we are voting on tonight includes the approval of a feasibility study?

Mr. Sherman replied that is correct.

Alderman Guinta asked and has the amount of that feasibility study changed. The cost?

Mayor Baines asked, Kevin, could you address that.

Mr. Clougherty stated I think we are between \$30,000 and \$35,000.

Alderman Guinta asked wasn't it initially \$50,000.

Mr. Sherman replied it was initially \$50,000 but that was if they needed to do a full blown looking at different leagues and everything. Now they are going to focus right on Double A. They can scope in on what they actually need to study.

Alderman Guinta asked do we have an outline of what the scope of that study is going to include.

Mr. Jabjiniak answered yes we do.

Alderman Guinta asked when would that be completed by. Do we have any idea?

Mr. Jabjiniak replied he asked for approximately 90 days to complete that study.

Alderman Guinta asked relative to the agreement between the City and TRC Power I have a couple of quick questions. How did you arrive at the \$250,000 exclusive fee?

Mr. Sherman answered in talking to the City consultants, they said that it is pretty standard to get 1% of the construction cost.

Alderman Guinta asked and that goes to the general fund.

Mr. Sherman answered yes.

Alderman Guinta asked to what level can TRC expand the plant.

Mr. Sherman answered they have the right to develop the site. I guess that will probably be dealt with in the sub-lease. If the sub-lease comes in that will tell you what you can do. These facilities, to my understanding, are 43.5 megawatts and they come pre-packaged so if they want to go to two they are up to 87 megawatts.

Alderman Guinta asked and you said there was a minimum payment of \$500,000 if they don't meet that. I am not clear on how we...

Mr. Sherman interjected if the Assessors come back in and say okay you have one unit there and we think the taxes on it are only \$400,000 they have guaranteed us that they will throw another \$100,000 into the pot to go against the debt service.

Alderman Guinta asked relative to the summary on Page 3 under #6 you have a reimbursement of costs up to a maximum of \$250,000. How did you arrive at that number?

Mr. Sherman asked is that the reimbursement of the land developer.

Alderman Guinta answered the stadium developer.

Mr. Sherman stated that money is for the stadium developer if the stadium doesn't go forward. That is what roughly they have spent to date for all of the environmental issues and surveys and everything. My understanding is that they are over that amount at this point.

Alderman Guinta asked but the maximum remains at the \$250,000. If the stadium deal doesn't go through the land deal will continue? Doesn't one require the other?

Mr. Sherman answered if the stadium deal doesn't go through, the land developer has control over the land and he can continue with his development to the extent that the parties are still interested.

Alderman Thibault stated I would just like to say that like Alderman Shea said before about how much time City staff has spent on this and Bill Jabjiniak is always out there working

constantly, I just look back and see some of the what some people may call gambles that the City has taken but just think of where the City would be if, in fact, we had not done the Hampshire Plaza, the Center of New Hampshire and the Verizon Arena and some of the other things we have done. Our staff has given us, to the best of their ability, the best protection that we can have entering into any project. I certainly want you guys to know that I am on board with it 1,000% and I just hope that the rest of you follow suit. Thank you.

Alderman DeVries stated let's cover some territory where we haven't been – the railroad, which I guess maybe the Mayor can first address how potential is that for making a stop in Manchester. They are talking about the Lowell or the Montreal stopping in Nashua but I have not heard Manchester recently.

Mayor Baines replied as you know that whole issue of extending the rail has had some roadblocks that have come along the way but there have also been discussions I think as recently as yesterday in Concord about extending the rail. Nashua recently was talking about within two or three years. I understand that it has most recently been delayed but we are continuing to focus on the eventuality of rail being extended to Manchester and we are also keeping our options open in terms of connection of downtown to the airport as well. I think rail is definitely in the future of our region and our City without a doubt.

Alderman DeVries asked in the future so that we need to build the railroad station now or is that future development.

Mr. Sanborn replied from a development standpoint when we came into this project we looked at not only Manchester today but what it potentially could be 10 or 20 years from now. We gave HNTB the task to look at the site and meet some specific requirements such as the park & ride and the potential of rail coming in. From a development standpoint that is a retail structure. It looks like a train station. If it is not a train station it will be retail but we have built it so that if rail does come in the City does have the flexibility of making a train depot and actually would be great for the project.

Alderman DeVries asked and in the interim period it will be housing retail.

Mr. Sanborn answered yes it would be retail.

Alderman DeVries stated I have a couple of other railroad related questions. The power lines I think I heard in the presentation would be relocated from their present position to alongside the railroad tracks. Is that something that would be better for the railroad?

Mr. Sanborn replied PSNH has been very cooperative in this project. We have had preliminary discussions with them about the existing high tension wires. Obviously after tonight we will be able to expand those discussions with them. I believe ultimately they will

have to move for the stadium but to this date PSNH has been very cooperative and receptive to us.

Alderman DeVries asked and the railroad as well does not have a problem with the planned location of those power lines.

Mr. Sanborn answered the railroad has been very cooperative, specifically on the access road in the back. They have been extremely cooperative. We are actually in the process of discussing some other alternatives with them for potential crossings.

Alderman DeVries stated let's talk about the retail located down there. There is no parking in the immediate vicinity of the retail. Is that feasible?

Mr. Perin replied we do have quite a bit of parking. Let me quickly go forward to the parking study. This is the retail building that I think you are talking about and also this one. There are quite a few on-street parking spaces all around the Town Square that are directly adjacent to the retail spaces and this entire lot is designated for the retail use initially. If commuter rail did come to the City this would be developed into a parking structure of which part of it would be designated still for the retail use.

Alderman DeVries asked do we have any indication of what type of retail may be feasible down there. I am not looking for specifics.

Mr. Sanborn replied that is a great question. Obviously there is some initial retail that fills the space just by the mere demands of the baseball park like restaurants and some specific unique retail to the stadium and that type of family-oriented consumer. That really becomes the big question mark on the site is what is the success of the retail. We won't know that until we get out onto the open market to find out who actually has a desire to come to the site but also retail will drive the need for parking on-site too to accommodate that retail.

Alderman DeVries asked, Randy, will that be part of our feasibility study, the viability of retail in that location because I think you are depending upon...

Mr. Sherman interjected no. The feasibility study will only deal with the baseball. Again, what we are banking on is the \$40 million of assessed valuation. That is our key trigger number.

Alderman DeVries asked and the retail development is part of that \$40 million of assessment.

Mr. Sherman answered it could be. Again, it all depends on what the first \$40 million is. That is what triggers it. Depending on how they develop it, if they move faster on the retail than they move on the residential or the peaker plant then that is the \$40 million.

Mr. Sanborn stated what happens is that the City is ultimately putting the responsibility back on the private developer to generate enough development on the site, feasible development on the site that meets the City's needs but also generates \$40 million of assessed value and it could be any combination.

Alderman Smith stated I am very well set on the finances but I would just like to throw out this to my colleagues. I was just taking notes here. It would have no adverse affect to the tax rate. It will broaden our City tax base. It will bring revenue into the City and add full-time employment and beautify the area. When I was a youngster we used to play down there and we used to call it Hobo Jungle. It would draw people from all over the State to dine and visit and encourage more development. Also, I would like to address at this time Gill Stadium because this is very, very important to me and this is one of the reasons why I got on the ball because I really think that Manchester Memorial is going to have a new complex next year, Manchester West has one and Manchester Central has no football stadium so to speak. This is utilized by Legion, Babe Ruth and so forth and my question is...I would like to ask Mr. Perin if your timeline, if the major league team does come in I would imagine you would start in August of 2003 for renovations. Would that be correct?

Mr. Perin replied that is correct.

Alderman Smith asked and you would finish up in April 2004.

Mr. Perin answered yes.

Alderman Smith asked and then the football team, like Manchester Central, could come in in September 2004 as soon as you finish your season.

Mr. Perin answered yes they can come in right after the minor league team ends its season. There is really no overlap in the seasons.

Alderman Smith stated so they would only be displaced for one year just like Legion, Babe Ruth and so forth.

Mr. Perin replied yes.

Alderman Smith stated I am involved with City youth groups and I don't think we will have a problem because as anybody knows at Gill Stadium if you go to the stadium it is a loom field and if you play during the hot weather it is a dustbowl and if you play when it is raining

it is a mud bowl and in November it is a frost bowl so anything that we can do to improve Gill Stadium I will certainly go along with. I would just like to say that I think it is going to be great asset to the City of Manchester and I ask all of my colleagues to vote for this agreement tonight.

Alderman Osborne stated getting back to the parking, since the last meeting you have upgraded this haven't you. What was the total parking that you had the first time you came in?

Mr. Perin replied when we first came in we didn't have all of the other site components so you really can't make a comparison between the two. It was significantly less let's put it that way. I don't remember the exact number but it was just...we allowed for parking for the visiting team and operation staff and a few suite parking spaces. We have significantly increased the number of parking spaces and Master planned for future parking expansion on the site.

Alderman Osborne asked how many parking spaces is that.

Mr. Perin answered it is approximately 300 parking spaces plus on the site. In addition to that there was an additional 684 parking spaces that were going to be developed on the Langer site.

Mr. Sanborn stated the large yellow area is specific to accommodate retail. Based upon some of the interaction we had with you we had gone out to seek more parking to accommodate the users of the baseball stadium. Case in point people like to be close by because it is much easier to park. I think that everybody here has seen that the arena has not had any real impacts from parking but our thought was to get as much local parking as possible. We have engaged the Langers in discussions on their site, which is adjacent to the property. Their dirt parking lot, which has not had any improvements done to it. We believe that we will be working with them to increase our adjacent parking by 684 cars. It will obviously beautify that area, clean it up and also give us much needed adjacent parking to the stadium to accommodate the users of the ballpark. It will also allow us to extend the Riverwalk and do more riverfront beautification and provide some additional picnic areas and things like that. Total on site we think we are somewhere around the vicinity...the total parking spaces are probably between...

Mr. Perin interjected I didn't mention it but it is probably between 600 and 700 because there are about 130 spaces associated with the hotel in addition.

Mr. Sanborn stated so plus the 684 you are somewhere around 1,300.

Mr. Perin stated and in addition there is the parking that is associated with the residential, which is close to about 140 spaces.

Mayor Baines stated plus the eventuality of perhaps the park & ride going in.

Mr. Sanborn stated we have about 1,500 spaces on site. Some are spoken for for residential.

Alderman Osborne asked what is the ratio of the seats compared to the parking spaces per car. One and a half or two?

Mr. Sanborn answered it would be more than that. With the available parking for the stadium...we probably have 1,000 spots that could actually be used for game day on location and our proformer is based upon 4,500 people attending the games.

Alderman Osborne stated that is 6,000 seats and you are taking six people per car.

Mr. Sanborn replied right.

Alderman Osborne stated so the way you are now you are short roughly 1,000 to 1,200 spaces.

Mr. Perin stated I can address that. The arena currently has zero parking spaces for their fan base.

Alderman Osborne replied well I am talking about the baseball stadium now not the arena. You are in a different section of town than the arena is in.

Mr. Perin responded it is a different section of town but it also offers a whole new section of parking that the arena doesn't take advantage of, which is South Commercial Street. It also includes the parking garage that the arena currently uses. You have to think that the current walking distances for the arena are much smaller because it is a winter use facility as opposed to a summer use facility, which expands the radius out for walking distances, which again utilizes the parking that exists within the City and it seats a lot less people. We are using the model of the arena, which has been proven to work utilizing City parking that exists on the surface and in parking garages.

Mayor Baines stated also we talked about the location of other baseball parks that are often times built in the center of the city without any parking.

Mr. Perin stated we just completed a baseball park in Toledo, Ohio. It was in a fairly run down area. They did not provide any parking on-site for that baseball stadium but parking

all of the sudden sprouted up out of every piece of unused land there. We really haven't seen an issue with it in these urban developments.

Alderman Osborne stated I just want to bottom line this. In essence we are still short 1,000 to 1,200 spaces.

Alderman Gatsas stated thank you, gentlemen, it was a nice presentation. I guess I have some specific questions in regards to the L.L.C.'s that we are entering into contracts with. Can you tell me if the Manchester Downtown Visions L.L.C. and the 6 to 4 to 3 L.L.C., what is the value of those L.L.C.'s?

Mr. Sanborn asked today without personal signatures, zero.

Alderman Gatsas asked so do I understand that you are going to personally guarantee these projects.

Mr. Sanborn answered I don't know yet. Once we get into the negotiation of the actual Master lease it will be determined by the City what we have to do and what our obligations will be and obviously we will be negotiating that out, Alderman, on how much personal guarantee has to be involved, if any.

Alderman Gatsas replied well if we are looking at a \$100 million project as we have been told, I would assume that the net worth of the parties involved certainly are sufficient enough to carry that indebtedness.

Mr. Sanborn responded that would be true and what our hope is as the master developers is that we can issue the subordinated leasing to the sub-tenants that will justify the credit worthiness of not only those tenants but of the master developer. We will be backstopping ourselves with leases, with strong leases to the sub-tenants on-site.

Alderman Gatsas asked so what you are saying to this Board right now is that you have no problem with the creditworthiness to be signing personally for this deal.

Mr. Sanborn replied I can't speak for all of the members of the L.L.C. but we what we will attempt to do is make sure that this City and the task that has been put in front of us will make sure that this City's liability is limited and that we can meet our obligations to develop the site to the \$100 million.

Alderman Gatsas stated my understanding was that there was no liability to the City, not limited. If I understood your statement correctly just now, didn't you say that there was limited liability to the City?

Mr. Sanborn responded I am saying that simply because my understanding of liability may be different than other people's.

Alderman Gatsas stated I understand that if it costs the City \$1, it is a liability that we shouldn't incur.

Mr. Sanborn replied the only side of this that I feel that the City has any obligation to would be the bonding of the stadium. My obligation and our developer's obligation is to make sure that we provide the City with adequate financing to justify that bonding. My understanding of liability or what I would say to you folks would be the fact that you are bonding this stadium. We are backstopping that and giving you the assurances that that bonding is going to be met and paid for but you are still bonding it for us to drive the development.

Alderman Gatsas responded I understand that but there is no value to the L.L.C. that is backstopping that.

Mr. Sanborn replied the value of the L.L.C. will fall on all of the developers within the site. We will be issuing subordinated leases to those tenants that will require letters of credit that will be validated and then you will have to approve and you will have to see all of the credit worthiness of all of the tenants on the site. There will be obviously letters of credit which are spelled out in the MOU to validate those leases.

Alderman Gatsas asked but what you are saying is that if one of the members of the L.L.C. does not want to sign personally then it would be up to the City to decide whether they want to release them from that personal guarantee.

Mr. Sanborn answered it will be up to the City to decide what they are asking for. It hasn't been determined if the City is going to be requesting personal signatures or not. We are going to go through the process with the City. Hopefully we provide you with quality leases and subordinate leases that show credit worthiness and can justify you folks bonding the stadium. We are going to provide you with whatever the City tells us we need to provide you with to make this project work but it is not determined yet on what that is.

Alderman Gatsas stated I know there is one Alderman that will be looking for personal guarantees. I don't know about the rest of my colleagues.

Mr. Sherman stated if I can step in here we have provided sort of a qualification list to the principals of both entities, both development teams, on both legal issues and financial issues. We have not proceeded fully with investigating their financial capabilities at this time. Until this MOU got approved we only wanted to go so far with that. Again, as I said earlier you can put in place as many assurances as you can get but nothing is guaranteed. As you know we come in and we usually try to get corporate guarantees. We try to get personal

guarantees on some of the loans that we have had downtown. We will bring forward to the Alderman the best proposal that we can get from the developers. If we have one principal that may not be interested then we will try to hit the other two or three developers or principals for something more. We will bring forward for your final sign-off the best proposal that we can get with the best guarantees we can get to protect the City. Again, we haven't gone through those final financial reviews yet.

Alderman Gatsas replied I understand that and I certainly can appreciate that because I think we are still...it is easy to say here are the final agreements and this is the best deal we can forward but I think that I am still looking for something that had to do with naming rights and parking fees at the arena, which I haven't seen yet and it has been probably the better part of six months. I will say that if we are looking at agreements to go forward maybe we should be kept abreast with what you are looking for from the developer. If we can see those agreements prior to then we are going to be kept abreast with what we need to do going forward. I guess the big question I have is that the \$25 million debt service that we are providing, \$3 million of that is for the renovation of Gill Stadium...

Mr. Sherman interjected that is correct.

Alderman Gatsas stated the \$1 million that the developer is putting in is that direct cash or is that reimbursed off the \$25 million that is going to be coming out of that portion.

Mr. Sherman replied that is direct cash up front. They are going to be doing the renovations. The renovation is going to come in at \$4 million and we are only giving them \$3 million so they have to come up with the direct cash for that.

Alderman Gatsas asked how do we know the difference between the \$25 million and what is going to the baseball stadium and what is going to Gill Stadium and what is going to the relocation of Singer Park.

Mr. Sherman answered we are going to have control over those funds. Those funds are going to be sitting in our escrow accounts and we are going to have our construction manager, our Peter Levy, on-site to watch those dollars for us. That is why we put that in the project.

Alderman Gatsas asked so whose obligation is it to pay back the \$3 million.

Mr. Sherman answered the \$3 million will be paid back as part of the \$25 million from the revenues generated from this site. Now again I don't want anybody to think that we are not trying to find additional capital dollars to go in. The stadium development group has offered to work with the City to try to minimize that \$3 million and maybe get some advertising rights in there or something else to help offset some of that but the \$3 million is part of the

\$25 million, which will be paid from...assuming there are no other dollars that come into the project will be paid from the revenues generated from this property.

Alderman Gatsas stated you still haven't explained how you are going to get the bonding capacity to not affect the City. If they are general obligation bonds, they are general obligation bonds.

Mr. Sherman replied they are general obligation bonds but again the way that we looked at this is that if we went out and set-up a tax increment finance zone that would be aside from your regular general obligation capacity and that is the way that we are selling this project. We are going out and we are going to generate \$100 million project with a \$25 million investment.

Alderman Gatsas asked but if I understand correctly there was legislation that was passed last year to allow TIF's so I am well familiar with how those work but tell me how you are going to take the general obligation bonds of this and not adversely affect our bonding capacity.

Mayor Baines stated I would like to interject on this and I think Kevin wants to say something. Often times at this Board level we have had many discussions where we interject capacity and limits. We have some self-imposed limits that we have put on to do certain things to maintain the financial integrity of the City and maintain our bond rating. When we deal with capacity we are nowhere near our capacity based upon the financial situation in the City. Kevin, could you go into that in a little more detail?

Mr. Clougherty stated the reason there is no impact is because the debt service related to the budget will be offset by the new valuation brought on by this project. The private piece of the project will generate sufficient dollars to cover the cost of the debt service.

Alderman Gatsas replied I look over at Alderman O'Neil and he has the same perplexed look on his face as me because he asked those same questions about a year ago when we were talking about bonding capacity and we were told that the limit of the capacity was somewhere around \$11 million when we were talking about doing some other projects.

Mayor Baines responded that is the limit, not the capacity.

Alderman Gatsas stated the limit not to affect our bond rating. That is what we were told by the Bond Council sitting right there where those gentlemen are sitting. I want to know how that has changed.

Mr. Clougherty replied you have brought on new valuation with this project.

Mr. Sherman stated when we give you the bond limits and we are giving you those projections we are looking at our debt service cost as a percentage of our revenues. We are looking at debt service as a percentage of our assessed valuation, debt per capita and all of those items. This entire project increases our overall revenues, it increases our assessed valuation and it increases our population. It is increasing all of the denominators of the calculations and when you get out and you are looking at \$1.8 million over the fact that the City has at this point over \$100 million of general obligation, it gets to be a pretty insignificant amount and by generating these additional dollars that go into the denominators of all of our formulas it actually doesn't impact it. Again, we look back and you say we have the \$60 million over 5 years...I think that was the number we gave you this year that gives you that \$10 to \$12 million every year. That is based on the current numbers and based on your current growth and based on your current spending. This is all new dollars that weren't in those formulas. It gives you that capacity.

Alderman Gatsas asked it gives you an additional \$25 million.

Mr. Sherman answered keep in mind that \$1.8 million of that is your debt but \$750,000 of it is coming from the stadium so it is not really \$1.8 million that we are looking at. We are really looking at \$1.1 million or \$1.050 million or however you want to round it off. The dollars get to be pretty immaterial in the overall picture by generating \$100 million of new assessed valuation.

Alderman Gatsas asked why wasn't that explained to us when we were asking about building a garage in the Millyard.

Mr. Clougherty replied it didn't add new valuation, Alderman, and that was the point we made back then. You wanted to do a revenue bond and there were no revenues coming from it that didn't add to the valuation.

Alderman Gatsas asked is Bond Council going to agree to that. Is he back there?

Mr. McCabe answered yes that is correct. If you are adding revenue then you can cover the additional bonding. If you are not adding revenue then you are going to eventually hurt the credit of the City.

Mr. Clougherty stated the parking garage was publicly owned. This is \$80 million worth of private development.

Alderman Gatsas responded at the time I believe we were talking about a privately built garage financed by the City.

Alderman O'Neil stated with all due respect to my colleague I believe we were talking about a publicly built garage back then and maybe we need to explore a privately built or financed garage. Randy, I have one question with regard to Gill Stadium when we are talking about capacities and limits. If this project did not come along and we weren't able to rope Gill Stadium into it...somehow it has been identified that there are approximately \$4 million of need of repairs and upgrades at Gill Stadium. Maybe not quite that amount because we are bringing it up to Double A baseball but somewhere in that area so it would have to go in the regular CIP and go towards what we could spend every year on Gill Stadium or other projects around the City. Am I correct on that?

Mr. Sherman replied you are correct to the extent that you are going to take it out of your general fund side of the operations. I don't think there is any way that the Parks enterprise would be able to cover that \$4 million so in all reality it probably wouldn't get done or get done plank by plank by plank.

Alderman O'Neil stated I have some general statements and hopefully I can get these in in five minutes. I want to thank the developers and I say this very sincerely on behalf of the citizens for their faith in the City of Manchester. I want to echo the comments of my colleagues, Alderman Shea and Alderman Thibault because City staff has done a fabulous job on this. Many departments have been involved rolling up their sleeves and working very hard on this. I wrote down tonight five current issues that we have. We have a piece of land that pays zero in property taxes today. We have a piece of land with some environmental problems that the City is responsible for. Singer Park and the Parks Foundation currently have some financial issues that need to be resolved. We know that we have a lack of hotel space in the downtown area and we need to renovate Gill Stadium today. It probably needed to be done last year or the year before. I look at the results of this project. It pays the debt service on the stadium plus additional tax revenues to the City of Manchester. I think Randy touched on it that it gets better as the years go on. It addresses the environmental concerns of the site. It relieves the Riverfront Park Foundation of their financial issues and saves Singer Park. It creates much needed hotel space in the downtown area. It provides funding and actually renovates Gill Stadium. It expands and maintains the Riverwalk. It brings additional peak power to the area. It brings additional retail to the downtown. It brings additional housing to the City. With all of that it brings minor league baseball to the City. For every dollar of City financing, which is paid back by private developers, there is a minimum of \$4 in private investment, not including something we seem to forget which is the purchase of the team itself. The development of the site continues the momentum currently going on in the City and continues not only to make Manchester a great place to live and to work but also a great place for others to visit. It also hopefully will lead to other major development opportunities in the downtown and riverfront area, therefore, increasing the commercial tax base and decreasing the burden on the homeowners of our City; something we strive for every single day here. Again, I would like to thank the developers for the faith that they have in the City of Manchester. I encourage my colleagues to support

the two Memorandums of Understanding before us tonight. I would like to move to approve the two Memorandums of Understanding to allow this project to move forward. Hopefully it will send a message with your discussions with the Red Sox about the importance of this project to the City. I would encourage my colleagues to consider a unanimous vote on this.

Alderman Thibault duly seconded the motion.

Alderman Lopez asked, Randy, in reference to the letter of credit they are going to put in for three years I believe and then take it out if the hotel and power plant are both at least 60%. Would you anticipate using any of that money to pay the bond if we go that route? Let's say that at some point you bonded the money and it was Year 2. Would you take the money out of there if they couldn't provide it?

Mr. Sherman answered because the site would not be generating sufficient revenues we would tap into those escrows or the letter of credit, yes.

Alderman Lopez stated the other question I had was in reference to Riverfront Foundation. Are they on the verge of non-existence? I think Alderman O'Neil said they were financially...Tom Clark if they went bankrupt what would happen?

Solicitor Clark replied could you repeat the question.

Alderman Lopez responded I was talking about Riverfront Foundation. Since it was brought up that they were financially strapped if they went bankrupt what would happen?

Solicitor Clark replied eventually the City would be responsible for the debt most likely but it would have to go through the bankruptcy court and the court would have to determine what to do with the lease and whether or not it should be sold. It would be a long, drawn out process if they went bankrupt.

Alderman Lopez asked we would be responsible for their debt to the Bank of New Hampshire.

Solicitor Clark answered not necessarily to the Bank of New Hampshire but without seeing exactly what their contract is with the bank, I couldn't give you a concrete answer. It would have to go through the bankruptcy process and a trustee would have to determine what the value of the leases were and whether or not they should be terminated. If they are terminated, the property comes back to the City of Manchester and its ownership.

Alderman Lopez asked in reference to the exit of this park as far as the roads, a sinking fund I guess maybe you want to call it or money discussed with the Highway Department if they

had to make an exit to the Queen City Bridge through Jac Pac...right now there is only one way in and one way out right.

Mr. Jabjiniak answered I think the Highway Department is...we are going to be working closely to look at other access issues and we are talking with the railroad about access. On the backside of the actual development you will see where there is an access road there now. Do we need to cross the tracks? I don't know. Can we get out down behind Jac Pac? There is no place to get out to is part of the problem. There is a right-of-way down there but those are all issues that we are certainly going to be looking at. Do we need another point of access? What does the Fire Department need? Joe Kane saw this today and overall, I think, was fairly satisfied but we need to continue to make sure they have proper access and that there is a proper flow of traffic and that is going to be part of the next phase as they go forward.

Mayor Baines stated I think everyone agrees that all of the challenges there can be overcome.

Alderman Lopez replied I understand that but there is no cost value put into this project as far as that, is that right. Is the developer going to pay for the roads and everything that is developed from the project?

Mr. Sanborn responded yes we will pay for all of the infrastructure.

Alderman Lopez asked how much money has the developer put into this project so far.

Mr. Sanborn answered between environmental studies, architectural work, and legal fees somewhere around \$620,000 at this point. Between what we have for design work, architecturally, our initial environmental studies, our traffic studies...extensive environmentals, we have extended somewhere around \$600,000.

Alderman Lopez stated Randy we gave \$100,000 for the stage at Singer Park. Why aren't we getting that money back?

Mr. Sherman replied I think the way that the stadium developer looked at this is their responsibility was to remove all of the financial obligations that the Foundation has so they can buy them out of their lease with the City. The \$100,000 that the City gave towards the stage...the Foundation took those dollars and paid them to the contractor. That was a grant from the City. It is not currently a liability on their books so what they are doing is they are going in and buying out the rest of their liabilities. In all honesty, that \$100,000 really wasn't discussed up front but if you think about at the end of the day what the City has is you have a brand new Class A soccer facility, whether it is at Derryfield or some other location and you have been paid back all of your debt, all of the dollars that you put in and your contribution overall to that whole project is \$100,000. My understanding is if you want the

stage you can have it if you really decide that you want to put it somewhere else because they are buying a stage from the Foundation as well. The cost really to the City to get that facility is \$100,000.

Alderman Lopez asked so if this deal goes through Singer Park no longer exists. The Foundation does not exist. Everything that is down there...we say they are going to move Singer Park but that really is for Parks & Recreation of this City.

Mr. Sherman replied I wouldn't say that the Foundation no longer exists. The Foundation will no longer have a lease of that property. They will have bought the field, the stage, everything from the Foundation. They will then move that to a City location. It will be a City facility at that point. The Foundation may decide to dissolve or the Foundation may decide to maybe change its purpose and do something else down there to promote the riverfront. What their plans are...you would have to talk to a representative at the Foundation.

Alderman Lopez stated, Bill, there was talk about a parking garage. Have you coordinated...I know that Southern NH Planning planned on a 600 car parking garage and you showed on the map where it would be a good place for it to be. Has the site actually been determined?

Mr. Jabjiniak replied the site has not been determined. That is one location we are going to propose. The Planning Director and the Public Works Director are going to look at an alternative site as well, go back to discuss things with the State, let them decide and come back and give us some feedback as to what is best. That is where we are.

Alderman Gatsas asked where did you get that information about Southern NH and the State because my understanding is that they are continuing forward with the site that they looked at.

Mr. Jabjiniak answered my information came from the Public Works Director today.

Alderman Gatsas asked is that from a letter that he sent to them.

Mr. Jabjiniak answered I believe he has corresponded with them previously but in a meeting today he simply indicated that he would pick this out now based on what we have seen here in this presentation and another alternative site and go back to them and continue the discussions.

Alderman Gatsas stated they are already in the design process.

Mayor Baines replied the last time I talked to the officials at the State they are very much aware of what we are doing and they indicated a willingness once we have come to some conclusion, to sit down with us and look at the different options that are available in the City. That was the last conversation I had. They are very much aware of what we are doing in Manchester.

Alderman Gatsas asked on Page 30, Reimbursement of Development Costs, Tom Clark that segment of the agreement does that mean that if the Red Sox do not give their blessing to the team the City still owes \$250,000.

Solicitor Clark asked for a minute to read it.

Mr. Sherman stated I think Bond Council can answer that question.

Solicitor Clark stated I don't believe that if the Red Sox said no that that would kick that in but Walter can confirm that.

Mr. McCabe replied the way the provision is designed to work is if the stadium development does not proceed for any reason and the land development does proceed, after the City has taken account of all costs that it has incurred in connection with the project, the next revenues it receives, whether it is real property taxes, payments in lieu of real property taxes or lease payments, the first \$250,000 the City gets back, when it gets it back, it will be reimbursed to the stadium developer.

Alderman Gatsas stated I don't think it says that there.

Mr. McCabe replied well that is the way it was written and I just rewrote it. Can you explain how you think you are interpreting it?

Alderman Gatsas stated I believe I heard counsel behind me, the City Solicitor, say that he didn't believe it said that either.

Solicitor Clark stated I believe it kicks in, Walter, if the stadium doesn't go through by other than default of the stadium manager.

Mr. McCabe replied that is correct.

Solicitor Clark stated if the stadium manager defaults, it doesn't kick in.

Mr. McCabe replied that is correct. If the stadium developer is in default, it does not kick in. In that one particular circumstance, there would be no reimbursement. If the stadium developer is not in default. For example, if the Red Sox do not give approval and the

stadium development can't proceed, then yes the \$250,000 would be owed by the City solely out of revenues from the land development portion of the project.

Alderman Gatsas stated I think that is a vital part of this agreement because if the stadium doesn't get done, Gill Stadium doesn't get done, Singer Park doesn't get moved...we have a variety of tie-ins to the stadium contract and not much to the land lease deal.

Mr. Sherman stated I guess what I would say is the stadium development team has done an incredible amount of work as far as the environmental site surveys and those types of issues. Those costs, if the rest of the development goes forward, is really to the benefit of the City and we would only be paying this if the site, again, generates sufficient revenues to pay it. If the entire project goes belly up and nothing happens, you don't owe these dollars and you still have all of the information and all of the testing and everything but you don't owe anything. Remember that there are two different developers. There is the land developer and the stadium developer and it is the stadium developer who has put those dollars out. It is only if his deal falls apart through no fault of his own, that he would like to get reimbursed those costs.

Alderman Gatsas replied right but the biggest percentage of this deal that we are looking at is renovation of Gill Stadium because I know that is a soft spot for Alderman Smith. We are talking about Singer Park being transferred and alleviating debt from them. We are talking about transferring the lighting, the stadium and the stands to Derryfield Park and that is all subject to the financing of the baseball field and the developer of the stadium. If that doesn't happen, then all of those pieces fall apart.

Mr. Sherman responded no. They are going to go in order. Unless I misunderstand it, the first thing that is going to happen is the Foundation. That is going to be done and they are going to be paid and they are going to be out of the question. Then we are going to come back and do Gill Stadium. That is going to be in process. You may have the Foundation out and the Gill Stadium lease out and you may have the master lease out and it may be 12 months from now when the Red Sox say no we are not going to let you do this. The only thing that possibly at that point that hasn't happened is you haven't gone forward with the stadium. All of those other things may have gone forward – the hotel may be under construction and the residential may be going but you are going to still have Gill Stadium done and the Foundation done because those things could proceed before you have your final approval from the Red Sox. What holds up the Red Sox...actually that may not be true. Do the Red Sox come before Gill Stadium?

Mr. McCabe replied that is really up to the stadium developer. If the stadium developer is prepared to commit to go forward with Gill Stadium, he doesn't have to wait for the Red Sox. That is something...I don't know Kurt if you guys have thought about it yet.

Mr. Sanborn responded no.

Alderman Gatsas stated I think it is important because why would somebody go through with a \$4 million renovation if they aren't going to get \$25 million in funding from us. Where is that \$4 million coming from? Are we bonding it other than the \$25 million piece? Gill Stadium won't happen without the baseball stadium happening because that is part of the \$25 million in bonding.

Mr. Sherman replied that is true and I guess that then comes back to the stadium developer on whether they are willing to proceed. Why would they put \$1 million in? Why would they come and play in Manchester for one year if they are going to end up somewhere else in five years? They may not want to come here. You are right. They may not want to go forward with the Gill Stadium piece. Maybe I jumped the gun on that one. They are not going to go forward on that until they have the approval. That is why I was saying maybe they are going to want the approval beforehand. I think you are probably right; they would.

Alderman Gatsas stated explain to me how we are going forward with this and how you can recommend to this Board that we continue.

Mr. Sherman responded what the MOU does is it says if the stadium doesn't go forward, the land developer still can go forward. He has to come back here and you have to approve the lease but he can still proceed. If he has the hotel folks and the power plant folks and they want to still go forward, they still need to have access to that land and you can say okay we will give you access to the land. If we carve out the stadium piece because that is still a question, you can allow them to do that.

Alderman Gatsas asked what happens with Singer Family Park.

Mr. Sherman answered if the stadium falls apart, the land developer steps in.

Alderman Gatsas stated that is not what it says here.

Mr. Sherman replied it does and actually that is what Exhibit I was put in here for. I am not sure, Walter, if you have the exact reference to it.

Mr. McCabe stated if you take a look at Page 10 of the MOU and you take a look at the first full paragraph on that page there is an option for the land developer to effectively pick up the arrangements with the Foundation. They have suggested how far they would be willing to go in an attached exhibit, but ultimately the City's position with the land developer is if the stadium doesn't take care of the Foundation then you have to make a deal with the Foundation so that the property can be made available for master lease by you.

Alderman Lopez asked can he go over that one more time please.

Mr. McCabe answered the way the MOU is drafted, if the stadium developer does not proceed then the land developer has the option of proceeding by taking care of the arrangements with the Foundation.

Alderman Lopez asked he would be obligated to the completion of Gill Stadium.

Mr. McCabe answered no he would not be obligated for Gill Stadium. He would be obligated for making arrangements with the Foundation so that they would terminate their lease and the City would have the property available to lease to the land developer. In that instance, Gill Stadium may not be taken care of since that is really the stadium developer's responsibility.

Alderman Garrity stated I would like to talk about the proposed sewer treatment plant just south of the property. As one of two South End Aldermen, my colleague to my left and myself deal with the owners of that sewer treatment plant down on Brown Avenue quite often. I want to ask Mr. Sanborn do you think this project is going to be a success if that proposed sewer treatment plant is put where it is proposed?

Mr. Sanborn replied if the CSO was placed there today, based on today's technology, I would say that we would not want to put residential next to it. From what I understand from the consultants to the City, there is years off. The whole Merrimack River is under a consent with the EPA. They are evaluating what is going to happen to cities like Manchester up and down the river and how they are going to have to address the CSO problem. We could be 10 years down the road by the time the City has to do something with that.

Mayor Baines stated that is at least 10 years away and if I understand that technology and those processes, is it called ozonation that is being used...

Mr. Sanborn interjected it is tough to say what the technology is going to be in 10 years and what form it takes and where it has to go and what type of odors come off it.

Alderman Garrity stated it has a long way to go to get rid of those odors.

Mayor Baines replied in due respect I think that technology is emerging. I recently toured a facility that uses, I believe it is ozonation if I have the right word...

Mr. Perin stated we have a division with HNTB and I talked to our consultants that specialize in water treatment facilities and they explained to us that there were so many different ways to control odor and a lot of those are not used in facilities and it might be that the facility you are currently smelling these odors from don't use too many of the newer

technologies. There are chemical add mixtures, there are carbon filters, there are ozonators that are now just starting to be used in these facilities to break the odors down. The facilities can be buried under ground in a self-contained way. Some of the facilities that you might be referencing are probably open-air facilities.

Alderman Garrity asked what is the dollar amount on the residential.

Mr. Sanborn answered we have estimated that the residential component will be about \$20 million of initial investment. Now I qualify that by saying that there is a, from what we can see, a real need for market rate residential in this City. The likelihood is that could probably get larger. We won't know until we actually get on the market with the product but I would say that that piece of it could change and get larger.

Alderman Garrity asked but you will not do the residential if that sewage treatment plant is placed there.

Mr. Sanborn replied right but it appears that is probably some time off. If you were to start construction today on the CSO I would say that we would not be on that site with residential based upon potential odors but I think we are probably going to be out of the gates much quicker. From discussions that we have had with the City and with the Department of Public Works, they don't know what is going to happen there. It is a big question mark for them. I guess the question that comes back is does this project come first or that and what happens if the decision is made down the road. I would say that we will be out of the gates first so we will advance residential.

Alderman Shea stated I know that Alderman Gatsas mentioned parking agreements and that is the difference in my opinion between a written agreement and a verbal agreement. I want to ask you a couple of things. The cost of the residential component here, have you set a price? Are we talking about condominiums?

Mr. Sanborn replied our initial concept is condominiums.

Alderman Shea asked but you haven't set a price.

Mr. Sanborn answered no. We have done some market studies and talked to a number of brokers to try to establish what the market rate would be and we have tried to work those numbers back based upon what we assume would be construction costs but nothing has been set in stone yet.

Alderman Shea stated the other point is that during our discussion with Mr. Drew Webber he mentioned the cost of going to a baseball game. That wasn't brought up but I believe he said the prices would be within the incomes of all of the people in Manchester - \$2 to \$8.

Mr. Sanborn replied that is correct. The prices for tickets at the stadium will range between \$2 and \$8.

Alderman Shea stated another point that was brought up by Randy before is that every point of this agreement or the different agreements will come before the Board. I don't mean to imply that people shouldn't ask questions but sometimes we really have to understand that we are going to take this process point by point and I think that is important because we can be asking questions from now until doomsday but I would like to go to my granddaughter's hockey game at 8:45 PM. She doesn't play for the Monarchs but could I call for a roll call vote.

Mayor Baines stated I promised two Aldermen that they could comment – Alderman DeVries and Alderman Gatsas and then we will call for a roll call vote.

Alderman DeVries stated my question would be for staff, whoever wants to jump in or how ever many want to jump in. If the baseball entity is to drop out of this project would you still be recommending a lease agreement for the commercial development of this property?

Mr. Jabjiniak replied I don't know if we would stick with the lease structure on something like that. I haven't given it a whole lot of thought. I would certainly be encouraging development of the riverfront. How do we do that? Through sale of property or re-subdividing the lease, I am not sure.

Alderman DeVries asked before we enter into the next proposal, which I guess for the sake of this development will be the master lease agreement, we will know whether or not baseball is in or out and would we have the opportunity at that point to restructure agreements if baseball is not part of the component and we are looking to change...

Mr. Jabjiniak interjected I believe that you do. It is subject to negotiations here. What does it really bind us to? It certainly encourages the developer and lays out the ground rules and business terms but you do get to come back and approve the different steps and if we need to change a direction slightly from a lease to something else, I think it is a matter of communicating that to the development team.

Alderman DeVries replied I am not sure that I got a 100% straight answer on that. I heard a couple of should be able to's.

Mayor Baines stated it is all if this happens or if that happens. We can't answer all of those questions. If the baseball falls through we are going to continue to look at this area as a major redevelopment project. The money that has been invested has put us so far ahead of the curve in looking at that area. There are a lot of if's. This is the beginning stage of a very

long process. We have just taken another step down the road here. We can't answer all of the if's tonight because it is all speculation.

Alderman DeVries replied I understand, your Honor, but I think that a lot of the associated development that we hope will be forthcoming with the baseball project would not happen. We would be looking at the isolated tax dollars...

Mayor Baines interjected I disagree. I think this is going to be a prime area for redevelopment whether this project on the table tonight goes through or not. There will be others.

Alderman DeVries asked, Solicitor Clark, before we enter into the next phase of development and should baseball not be part of the entity would be have the capability to rework this and do a purchase and sales agreement as opposed to a lease agreement.

Solicitor Clark replied yes you would.

Mr. McCabe stated yes. Until the City has actually entered into a master lease this Board has the right to choose to request to go in another direction. It is up to the developers if they are interested in going in that direction.

Alderman Gatsas stated I believe that with the financial situation of the City, putting out \$35,000 for a feasibility study without the approval of the Red Sox to me is not business prudent. I would think that if we have to wait 90 days to get a feasibility study in hand rather than spending \$35,000...the last three months have been very difficult for everybody in here looking to reduce costs on different things. I would say that should not be part of this package. We should get the Red Sox approval and from that day we should do a feasibility study and spend the \$35,000. I would hate to spend \$35,000 on a feasibility study that says baseball is the greatest thing in the world to happen to Manchester and the Red Sox say no. I think from the time we started...when was the first agreement signed with the baseball team? Was it six or eight or nine months ago?

Mr. Sherman asked which agreement are you referring to.

Alderman Gatsas replied the very first agreement we did with Mr. Webber to give him...

Mr. Sherman interjected it was February or March when they first came in.

Alderman Gatsas stated so we are close to a nine-month period.

Mr. Sherman replied right but the point I would like to clarify is the feasibility study is not being paid for by the City. The funding to do the feasibility study came from the Manchester

Housing and Redevelopment Authority. They provided the funds to the City to do that. It came out of their proceeds from the Manchester Airpark. It is not impacting your FY03 budget. Those dollars were given to the City last February or March, which I think is when we first voted on the feasibility study and those dollars have been sitting there. We have not returned them to the Housing Authority. We are holding those dollars pending the study.

Alderman Gatsas stated my understanding is they came from Mr. MacKenzie's pocket from the sale of land in the Airpark from my recollection. We could have used them to do something else. It didn't come from MHRA.

Mr. Jabjiniak stated the proceeds from the sale of parcels at the Manchester Airpark are staying at the Housing Authority. They get transferred down here upon our request. They are not necessarily under Mr. MacKenzie's control through the CIP program.

Alderman Gatsas replied no but we can use those funds for another project.

Mr. Jabjiniak stated for economic development projects.

Alderman Guinta stated in the MOU on Page 17, Item 9, it identifies the number of \$27.5 million. Earlier in the presentation we heard that the full bonding capacity that the City is responsible for is \$27 million and that the stadium developer would be responsible for anything over and above. I don't see that identified in that portion of the agreement.

Mr. Sherman responded let me clarify that. What we have done is we have put in the cap of \$25 million based on the minimum payment of the \$750,000. They have asked to go up to \$27.5 million. If they use anything over \$25 million up to \$27.5 million they will pay the incremental increase in the debt service over and above the \$750,000. Initially we started at \$25 million. They said well there are some other amenities we want to add to the park that we think will benefit us in the long run. Is the City willing to go from \$25 million to \$27.5 million? We said we are willing to go from \$25 million to \$27.5 million but we are not going to keep your minimum at \$750,000. So the \$750,000 relates to \$25 million. If we go up to \$27.5 million they pay that exact increment difference in the debt service. That is why you see \$27.5 million here. That is the maximum.

Alderman Guinta asked is that going to be included in the exhibit or does that need to be included in Item 9 under Financing and Development. This doesn't identify as I read it...

Mr. Sherman interjected the extra payments. It is in Exhibit G-3. In fact, Walter and I went over that on Friday to make sure that we were okay with that language there.

Alderman Guinta asked is that language sufficient.

Mr. McCabe answered it will be expected in the final agreement under which the financing is authorized that there will be a clear and specific formula. What we attempted to provide in Exhibit G is flexibility to suggest how the revenue would be measured based on the debt service to be taken out.

Alderman Guinta asked so this language is going to be tighter as we go forward.

Mr. McCabe answered yes. Once we actually have an agreement we will have some sense of whether they are using the \$25 million or the \$27.5 million and have provided a specific formula to increase the payment if it is more than \$25 million.

On motion of Alderman Smith, duly seconded by Alderman Thibault, it was voted to move the question.

The Clerk noted for the record that although Alderman Forest is not here this evening, he did submit a memo to the Board stating that he is in favor of bringing baseball to Manchester.

A roll call vote was taken on the motion to approve the two Memorandums of Understanding. Aldermen Shea, DeVries, Smith, Thibault, Wihby, Gatsas, Guinta, Sysyn, Osborne, Pinard, O'Neil and Lopez voted yea. Alderman Garrity voted nay. Alderman Forest was absent. The motion carried.

Mayor Baines stated when I go down to the Red Sox and talk to them I will be able to give a very strong message that the Board of Mayor and Aldermen are behind us in this effort. I wish it had been a unanimous vote but that is probably wishing for the impossible I guess. We came pretty close. I appreciate the support of the Board. I want to specifically thank everyone involved in getting us to this point. We are heading in the right direction for the financial stability of our community.

Alderman Gatsas stated I would like to make a motion regarding this.

Mayor Baines replied go ahead.

Alderman Gatsas moved that the feasibility study not be done.

Mayor Baines responded it was part of the motion that was passed this evening.

Alderman Gatsas stated no that was just to accept the Memorandum agreements.

Mayor Baines replied which includes the provision of the feasibility study. It already passed.

Alderman Gatsas asked so my understanding is that you won't accept that.

Mayor Baines answered no. It was passed as part of the motion.

This being a special meeting of the Board, no further business was and on motion of Alderman Shea, duly seconded by Alderman Thibault it was voted to adjourn.

A True Record. Attest.

City Clerk